

# SENATE BILL REPORT

## SB 5988

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As of February 20, 2007

**Title:** An act relating to the public employees' benefits board medical benefits administration account.

**Brief Description:** Creating the public employees' benefits board medical benefits administration account.

**Sponsors:** Senators Prentice and Delvin; by request of Health Care Authority.

**Brief History:**

**Committee Activity:** Ways & Means: 2/20/07.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Erik Sund (786-7454)

**Background:** The Public Employee Benefits Board (PEBB) in the Health Care Authority (HCA) is responsible for providing health insurance and related benefits for state employees. The highest position within the HCA is that of Administrator. The Administrator is appointed by the Governor with the consent of the Senate.

In addition to procuring group coverage through private market insurers, the Health Care Authority also administers the Uniform Medical Plan (UMP) and Uniform Dental Plan (UDP), which are the Health Care Authority's self-insured benefit plans. While employees enrolled in coverage purchased from outside insurers pay for services on a flat rate co-payment basis, employees covered by the UMP or UDP pay co-insurance based on a percentage of the cost of care.

The administrative expenses of the UMP are paid from the Uniform Medical Plan Benefits Administrative Account (UMPBAA). The expenses of the UDP are paid from the Uniform Dental Plan Benefits Administrative Account (UDPBAA).

**Summary of Bill:** The Public Employees' Benefits Board Medical Benefits Administration Account (PEBBMBAA) is created. The PEBBMBAA is to be used for the administration of self-insured medical plans other than the UMP.

Only the Administrator of the HCA or a designee of the Administrator may authorize expenditures from the UMPBAA, UDPBAA, or the PEBBMBAA.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill would set up the necessary framework for the Health Care Authority to offer a new self-insured health plan that could produce substantial savings for the state.

**Persons Testifying:** PRO: Barney Speight, Health Care Authority.